GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2432
ANSWERED ON:09.08.2005
PRICE OF IMPORTED TEA
Reddy Shri Karunakara G.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the details with regard to the rate at which the tea was imported from foreign countries durmg the last two years and thereafter, Country-wise;

(b) whether it is imported at rates much below the cost of production of tea in India;

(c) if so, the average miport-cost and cost of production of indigenous tea; and

(d) the steps taken/being taken by the Government to ensure fair competition to mdigenous producers of tea and to prevent dumping of imported tea at cheaper rates?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI E.V.K.S. ELANGOVAN)

(a): Details of unit C.I.F.(Cost, Insurance and Freight) price of tea imported into India from major sources of import are given below:-

Name of Country	(Rupees per Kg) 2003	2004@	2005 (January to May 2005)@
Vietnam	32.07	32.56	36.04
Kenya	83.28	82.25	74.61
Nepal	-	58.82	62.99
Indonesia	56.61	57.73	60.21
China	68.96	37.35	37.22

@ Provisional

(b) & (c): The weighted average unit C.I.F. price of tea imported during 2004 was Rs 45 68 per kg The cost of production of tea in India varies from region to region and also between Estate sector and Bought Leaf/Cooperative Sector within the same tea growing area. Most of the teas imported into the country are for the purpose of re-export and imports for domestic consumption is very low compared to our own production; theretore the price of imported tea has little bearing on domestic cost of production.

(d): The general rate of import duty on import of tea into India is 100%. In order to maintain quality and retain the brand equity of Indian teas, the Government has issued a new Tea (Distribution and Export) Control Order, 2005 under the provisions of the Tea Act, 1953 on 01.04.2005 in supersession of the Tea (Distribution and Export) Control Order, 1957. The new Order prescribes strict norms for tea and stipulates that all teas, whether imported or exported, would be required to conform to the specifications cited in the new Order.